

FIRST SET OF DOCUMENT AND INFORMATION REQUESTS OF
THE DEPARTMENT OF COMMUNICATIONS AND ENERGY TO
BOSTON GAS COMPANY, COLONIAL GAS COMPANY AND ESSEX GAS COMPANY
D/B/A KEYSpan ENERGY DELIVERY NEW ENGLAND

D.T.E. 04-62

Respondent: Elizabeth Danehy Arangio

Information Request DTE 1-23

- Q. Refer to Exhibit KED/EDA-1, Pages 19 and 20.
- (a) Calculate the cost of (i) the capacity, and (ii) commodity resources held by Boston Gas that have been used to serve the additional needs of Colonial and Essex separately since the mergers, assuming that Boston Gas “sold” the additional resources to Colonial and Essex. Provide all data, worksheets, and assumptions used in the calculation.
 - (b) Based on the results in (a) above, calculate the cost of the “stand-alone” portfolios for Boston Gas, Colonial, and Essex, assuming that Colonial and Essex “paid” Boston Gas for the additional resources.
 - (c) Compare the costs of the “stand-alone” portfolios in (b) above to each company’s pro rata share of the pooled demand and commodity costs representing the share of demand and commodity costs that customers will pay under the new consolidated CGA (see Exhibit KED/EDA-6(a)).
- A. As stated in the testimony of Elizabeth Danehy Arangio (at 17-18), the Company is not able to calculate the “cost” of capacity and commodity resources held by Boston Gas and used to meet the needs of Essex and Colonial customers since the mergers. The Company maximizes the efficiency of the resource portfolio by using resources interchangeably and without regard to ownership. This makes it difficult, if not impossible, to track costs and to attribute costs to particular groups of customers within the KeySpan system. As a result, the Company has not tracked the use of resources and has no basis to derive a cost estimate of the amount of resources that would have been “sold” by Boston Gas to Colonial and Essex. Moreover, the Department did not direct the Company to establish or conduct a tracking system following the mergers. Therefore, it is not possible for the Company to perform the requested analysis.